Testimony of Park Watershed, Mary Rickel Pelletier
Before the Planning & Development Committee
in SUPPORT of
HOUSE BILL 5492, AN ACT PROVIDING MUNICIPAL STORMWATER AUTHORITIES WITH CERTAIN CORPORATE POWERS

Submitted by
Mary Virginia Rickel Pelletier, Director, Park Watershed

March 16, 2012
Senator Cassano, Representative Gentile, and members of the Committee,

Thank you for the opportunity to comment on House Bill 5492, An Act Providing Municipal Stormwater Authorities with Certain Corporate Powers. I strongly support this bill, which will give pilot municipal stormwater authorities needed authorizations to borrow and bond, to hold property, to set and collect fees from users and to make improvements to infrastructure.

Stormwater pollution is a systemic problem in our state, regional and national waterways. The tributaries of the Park River are all impacted by excess stormwater run-off. These tributaries **include Trout Brook in West Hartford; Tumbledown, Beaman, Filley, and Wash Brooks of Bloomfield; Piper Brook in Newington; Batterson Pond which flows through New Britain as Bass Brook, and Cemetery Brook which flows from Wethersfield** are within the Park Watershed. Rainfall that falls on our cities and suburbs washes over impermeable surfaces like parking and roofs, picking up oils, pesticides from lawns and other chemicals. Runoff overwhelm the stormwater systems, causing flooding as well as millions of gallons of raw sewage pouring into neighborhood waterways every year.

Municipal stormwater authorities have been established in towns in Maine, Minnesota, North Caroline, Oregon, Vermont and a long list of communities in states across the nation. Stormwater authorities are needed to establish and be responsible for reliable metrics for rain water run-off, which would otherwise be shunted from concrete parking lots, into catchments through culverts and into buried conduits that pour polluted waters into magnificent rivers of Connecticut. It is important to note that Connecticut receives more annual precipitation per year (> 44") than Seattle, Washington and Portland, Oregon, cities that have been leaders in the evolution of green infrastructure to manage stormwater run-off.

Attached is a six page report on Stormwater Utility Programs prepared in 2009 by Trinity College Senior Ezra Moser as research for Park River Watershed Revitalization Initiative. This research provides useful comparative analysis of stormwater utility programs from various states. Stormwater utility fees are practical way for communities to plan and **fund compliance** with federal Clean Water Act requirements. These authorities can ensure that all landowners in town pay for their appropriate share of costs and can implement innovative methods like green infrastructure, which are more attractive, resilient and affordable that traditional concrete-and-pipe solutions.

Please support HB 5492, which will help provide municipalities with the tools they need to prevent stormwater runoff pollution. Thank you for being interested in our quality of life.

Sincerely,

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Stormwater Utility Programs

Park River Watershed Revitalization Initiative Research

The U.S. Environmental Protection Agency estimates that at least 50 percent of our nation's water pollution is caused by stormwater run-off, the most prominent form of non-point source pollution. There are a variety of solutions to combat stormwater run-off ranging from simple ordinances regulating the sweeping of driveways to complex infrastructural retrofitting, or large-scale policy decisions, such as the implementation of watershed management and protection plans. The enactment of a Stormwater Utility taxation program, however, provides a sensible method of mitigating Stormwater run-off by creating an economic incentive for property owners to implement sustainable drainage measures themselves, while generating revenue that the municipality can put back into public works and services. This approach has been identified as the most equitable and effective approach to stormwater financing by a number of policy analyses.

Under an ideal Stormwater Utility system, fees charged to residential and nonresidential properties would fund a Municipal Stormwater Management Program. Fees would based on the property's contribution to storm water run-off. The run-off contribution is determined according to a property's amount of impervious area (impenetrable surfaces such as concrete and asphalt that do not allow storm water to infiltrate). Impervious surfaces adversely impact the volume, quality, and speed with which run-off and pollutants reach the storm water system and local waterways.[1] Many utilities use systems of "crediting," in which property owners are able to reduce their monthly and annual taxation by implementing sustainable drainage measures such as (but not limited to) green roofs, rain gardens or bioswales. In a policy analysis conducted by the Muskie School of Public Service at the University of Southern Maine, the nationwide average charge per single residential unit under Stormwater Utility taxation programs fell within the $3 - $4 range, totaling $36 - $48 per year, a marginal extra cost that reaps extensive benefits in terms of annual income.

As of 2004, 400 municipal Stormwater Utilities existed nationwide, and estimates predict that by 2014 this number will rise to over 2,000. These regulations have been effectively enacted in municipalities ranging from large cities and metropolitan areas to small towns and suburban communities. The states of Florida, Washington, Oregon and California have the highest concentrations of Stormwater Utilities, but successful models have been implemented in a variety of states comprising many different climatic and hydrological regions. A few municipalities with successful examples include (with approximate population and Metropolitan Statistical Area populations):

- Minneapolis/St. Paul, MN (population: 390,000/285,000, MSA: 3,500,000)
- Sacramento, CA (population: 460,000, MSA: 2,000,000)
- Austin, TX (population: 750,000, MSA: 1,600,000)
- Norfolk, VA (population: 230,000, MSA: 1,700,000)

[1] Excerpt taken from Norfolk, VA Stormwater Management Program. Available from http://www.norfolk.gov/publicworks/stormwater.asp

- Greensboro, NC (population: 250,000, MSA: 700,000)
- Grand Rapids, MI (population: 195,000, MSA: 775,000)
- Bloomington, IN (population: 70,000, MSA: 180,000)
- Rockville, MD (population: 60,000, city in Washington DC-Baltimore MD MSA)
- Valdosta, GA (population: 43,000, MSA: 130,000)
- Chicopee, MA (54,000, directly north of Springfield, MA)
- Covington, KY (population: 43,000, directly adjacent from Cincinnati, OH)
- Prairie Village, KS (population: 22,000, suburban community of Kansas City, MO)
- Normandy Park, WA (population: 6,000, autonomous community within Seattle, WA)
- Coeur d'Alene, ID (population: 40,000, MSA: 130,000)
- Mason, OH (population: 22,000, located in greater Cincinnati)
- Washington, NC (population 12,000, small town in rural NC)
- Union, OH (population 6,000, located outside Dayton, OH)

While these communities span a variety of population sizes as well as climactic and hydrological regions, their unifying characteristic is that they are universally situated near water bodies that have played a vital role in that municipality or metropolitan area's development. While the majority of these examples utilize municipality-specific laws, a Stormwater Utility can be enacted on a regional or countywide basis, as is the case with Louisville-Jefferson County, KY, or Sarasota County, FL.

For an environmentally aware community or municipality contemplating the implementation of a Stormwater Utility, the benefits and challenges should be taken into consideration:

Benefits:

- Stable and adequate funding source for stormwater programs, which tend to "get short shift" under Federal and General Fund allocation process
- More equitable system for raising revenues—Stormwater Utility system would base fees upon run-off impact as opposed to based on property value (holding tax exempt entities such as non-profits equally accountable). This system generally shifts burden away from residential property owners
- System of fees and credits raise awareness of stormwater run-off and non-point solution and give property owners incentive to educate themselves on these manners and implement sustainable drainage measures.

Challenges:

- The implementation of any new tax or fee is generally met with adverse reactions. This can be mitigated by educating both policy-makers and the public at large
- No one "best" model—the implementation of a Stormwater Utility is contextual and varies by community size, hydrology and a variety of other factors.

The Muskie School analysis identified several key factors for successful implementation:

- Careful upfront planning as to goals of the utility and the steps needed.

cityscape, topography, climate and architecture. For example, another case study included in these statistics was the city of Griffin, GA, a suburban community south of Atlanta with a population of 23,500—very similar to that of Valparaiso, IN. However, the Stormwater Utility in Griffin (with a slightly smaller population than that of Valparaiso) charged an average monthly SFR (Single Family Residence unit) fee of $2.95, which is $.05 less than that of Valparaiso, but accrued $1.2 million in annual income from user charges, more than double the same value for Valparaiso. Judging that Valparaiso charged more on average in monthly fees, had a comparable but slightly larger constituency from which to draw on yet amassed an annual income from the utility less than half of what Griffin, GA was able to net, it can be inferred that contextual factors concerning the built environment as well as climate have an impact on the effectiveness of such utilities.

Considerations:
Given that context is significant in the construction and enactment of Stormwater Utilities, the policy analysis conducted by the Muskie School of Public Service concluded that there are 11 integral "Considerations" in the development of such a bill. They are outlines as follows:

1. **Start-up Strategy:** how the fee system is phased in—whether as a simplified interim system or as a more refined, comprehensive approach.
2. **User Fee Structure:** how fees are to be applied to the customer base, particularly the approach for residential versus non-residential properties.
3. **Approach to Multi-Family Units:** how multi-family residential housing units are treated under the fee system.
4. **Fee Basis and Data Collection:** what the fee is based on, i.e. actual versus estimated impervious area, and what information needs to be collected.
5. **Organizational Structure:** how the utility is organized within the municipal government.
6. **Fee Collection:** how customers are billed.
7. **Implementation:** the extent to which stormwater programs are implemented on the regional or local levels.
8. **Expenses Covered:** what stormwater related expenses are funded by the fee.
9. **Geographic Coverage:** whether the fees will apply to just the "NPDES regulated area"* within the communities or town/city-wide.
10. **Exemptions:** which, if any, types of property will be exempt from the fees.
11. **Credits:** whether reductions in fees will be offered landowners who take specific steps to manage stormwater or provide other benefits.

Each of these considerations has multiple options and an accessible, detailed outline of each option and scenario, as well as the pros and cons of each choice, is available in Section 3 of the Muskie School Stormwater Utility policy analysis (p. 4-33), available from: http://efc.muskie.usm.maine.edu/docs/StormwaterUtilityFeeReport.pdf

- A well conceived and implemented public outreach campaign that involves both education and participation.
- Education of and involvement by key public officials.
- Presence of a staff "champion" – a person involved in all aspects of work and became focal point and major cheerleader for utility.
- Use of knowledgeable consultants is key in some cases.

Having recognized that ideal models for a Stormwater Utility vary according to context, below are a series of successful models from a variety of regions that highlight how different methods of organizing the Utility still yield optimal results.

Community Name	Population Served	General Location	Organztn.	Billing System	Average Monthly Charge for SFR*	Annual Income from User Charges
Louisville-Jefferson County, KY	600,000	On Ohio River	Part of Metropolitan Sewer District	Sent with Sewer Bill	$3.31	$17.3 Million
Sarasota County, FL	300,000	FL Gulf Coast	Part of Department of Public works	Part of County property tax bill	$6.70	$13.9 Million
Fort Collins, CO	108,000	Base of Rocky Mountains	Utilities Dept.	Sent with utility bill	$7.44	$5.6 Million
Olympia, WA	45,000	Puget Sound	Dept. of Public Works	Part of sewer and water bill	$6.00	$2.5 Million
Valparaiso, IN	25,000	SE suburb of Chicago	Dept. of Stormwater Management	Sent with water bill	$3.00	$520,000
Union, OH	6,400	Suburb of Dayton	Dept. of Public Works	Sent with water and sewer bills	$3.00	$72,000

Statistics courtesy of http://stormwaterfinance.urbancenter.iupui.edu/
*SFR stands for Single Family Residence

Variables affecting the annual income of a Stormwater Utility Program include

Table #1: Stormwater Utility Considerations

#	Consideration	Option A	Option B	Option C	Option D	Option E	Option F
1	Start-up strategy	Starting with simplified fee structure and refining later	Starting with more refined fee structure				
2	Fee structure	Flat rate for residential; flat/tiered rate for non-residential	Flat rate for residential; variable rate for non-residential	Tiered rate for residential and non-residential	Tiered rate for Residential; variable rate for non-residential	Variable rate for all use classes (simple)	Variable rate for all use classes (complex)
3	Multi-family approach	Treat entire complex like a non-residential property	Represent as a percentage of 1 ERU, e.g. .6	If a tiered residential structure is used, put m.f. in "small" class	Treat every unit as one single-family property.	Some other option	
4	Fee basis and data collection	Lot Area	Lot Area in conjunction with generalized factor to estimate impervious surface or runoff impact	Lot-by-lot measurement of impervious surface (usually by use of aerial photos)	Use of other data to estimate impervious surfaces	Some other option	
5	Organizational structure	Separate utility	Within existing utility or municipal department	Organized mainly as an enterprise fund for financing purposes that relies on existing entities and resources			
6	Fee collection	"Regional" collection by Portland Water District or other established entity	Local collection: use of existing billing system: e.g. tax or sewer bills	Local collection: use of new billing system	Some other option or combination		
7	Implementation: regional versus local	Formal regional structure	"Adhoc" regional structure	Mostly local implementation (with some joint use of educational materials)	Some other option or combination		
8	Expenses covered	All components of stormwater system, including capital projects and CSOs	Everything except CSOs and major capital improvements	Just NPDES II requirements	Some other option or combination		
9	Geographic coverage	Individual boundaries of SM4 towns	Urbanized portions of SM4 towns covered by NPDES II requirements	Some other option or combination			
10	Exemptions	No exemptions	Roads and selected other public uses	Undeveloped land	Agricultural lands	Other exemptions	
11	Credits	No credits	Credits for reducing stormwater flow off-site	Credits for improving stormwater quality	Educational credits	Other credits	

Above is an outline of the 11 "Considerations" outlined in the Muskie report. A detailed analysis of each option is available from the given website.

In 1997 Chicopee, MA, became the first community in Massachusetts to implement a stormwater utility, serving as a model for municipalities located along the Connecticut River. More information on how this was achieved is available from:

http://www.epa.gov/nps/Section319III/innov_ma.htm
http://www.pvpc.org/web-content/docs/landuse/storm_util.pdf

Federal Aid:

Congress amended the Clean Water Act in 1987 in order to establish section 319—the Non-point Source Management Program, which provides federal grant money to communities in any U.S. state, territory or Native American reserve which support a variety of activities including technical assistance, financial assistance, education,

training, technology transfer, demonstration projects, and monitoring to asses the success of specific non-point source implementation projects. The aforementioned Stormwater Utility in Chicopee, Massachusetts received $241,860 in federal funding, which unequivocally ensured the program's successful implementation.

Full details of the grant application process as well as lists of successful projects are available from http://www.epa.gov/owow/nps/cwact.html

Resource Guides:

EPA Stormwater Programs
http://cfpub.epa.gov/npdes/home.cfm?program_id=6

EPA National Pollution Discharge Elimination System:
http://cfpub.epa.gov/NPDES/

NPDES Phase I:
http://www.stormwaterauthority.org/regulatory_data/phase_1.aspx

*NPDES Phase II:
http://www.epa.state.il.us/water/permits/storm-water/index.html

Successful Case Studies & Financial Outlines:
http://stormwaterfinance.urbancenter.iupui.edu/

List of Stormwater Utility Manuals:
http://stormwaterfinance.urbancenter.iupui.edu/SUmanuals.htm

Stormwater Authority Connecticut DEP page:
http://www.stormwaterauthority.org/regulatory_data/state.aspx?id=126

Muskie School Report: http://efc.muskie.usm.maine.edu/docs/StormwaterUtilityFeeReport.pdf

Outline for Financing Stormwater Utility:
http://stormwaterfinance.urbancenter.iupui.edu/PDFs/Cyr86.pdf

Sample Municipal Stormwater Utility Pages:

Minneapolis/Twin Cities:
http://www.ci.minneapolis.mn.us/stormwater/fee/stormwater_faq.asp
http://www.ci.minneapolis.mn.us/stormwater/fee/
http://www.metrocouncil.org/environment/water/reports/swu_report.pdf

Norfolk, VA:
http://www.norfolk.gov/publicworks/stormwater.asp

Bloomington, IN:
http://www.cityblm.org/page.asp?show=section&id=5462&menuid=5462